TIER 3, AMDT #19
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Amendment to the Chairman's Mark

Offered by Representatives Bass, Van Hollen, Pascrell, Ryan (OH), Wasserman Schultz, Moore, Castor, and Bonamici

Prevent Student Loan Interest Rates from Doubling

This deficit-neutral amendment will prevent interest rates on subsidized student loans from doubling on July 1, which would increase the cost of college for nearly 7.5 million students already facing tough job prospects in the recovering economy. The amendment is fully paid for by ending unnecessary tax breaks for special interests, subsidies for big oil companies, egregious tax breaks, or tax cuts for millionaires.

A **YES** vote will lower the debt of college graduates by keeping interest rates on subsidized student loans at the current rate of 3.4 percent through June 2013.

A **NO** vote means choosing to protect tax breaks for special interests while letting the interest rate on student loans double on July 1, adding an average of $2,800 in higher loan repayment costs for millions of low- and middle-income college graduates.

1. Increase budget authority and outlays for Function 500 by the following amounts in billions of dollars to ensure that interest rates on subsidized student loans do not double on July 1, which would increase the cost of college for 7 million students already facing tough job prospects in the recovering economy.

	2012	*2013*	*2014*	*2015*	*2016*	*2017*
BA	4.285	2.595				
Outlays	2.480	3.505				

2. Adjust the aggregate levels of revenue by amounts equal to the foregoing outlay changes in paragraph 1, reflecting the reduction or elimination of: 1) the Section 199 deduction for domestic production activities for the major integrated oil companies; 2) egregious tax breaks such as tax deductions for corporate jets; 3) loopholes in our international corporate tax system that encourage the outsourcing of manufacturing and result in fewer American jobs to support the middle class; or 4) additional tax cuts for those with adjusted gross incomes above $1 million annually.

3. Make all necessary and conforming changes to the Chairman's mark.

4. Amend the committee report to reflect the following policy assumptions:

   The resolution assumes sufficient funding to spare college students from increased debt by maintaining interest rates on student loans at the current rate of 3.4 percent through June 2013. Congress gradually cut the interest rate on subsidized Stafford loans from 6.8 percent in 2007 to 3.4 percent in this year. Under current law, however, the interest rate will double on July 1, adding an average of $2,800 in higher loan repayment costs to nearly 7.5 million low- and middle-income borrowers. These need-based loans help students afford college, where the cost of attendance has increased dramatically, from an average of $23,836 in 2001 to $38,589 in 2011 at four-year private colleges, and from $8,032 to $17,131 at four-year public colleges. Extending the lower interest rates provides relief for needy students, preventing them from graduating with higher debt to be repaid at the same time they are looking for work when jobs are scarce.

   The resolution accommodates this necessary level of student loan funding by reducing or eliminating the following: the Section 199 deduction for domestic production activities for the major integrated oil companies; egregious tax breaks such as tax deductions for corporate jets; loopholes in our international corporate tax system that encourage the outsourcing of manufacturing and result in fewer American jobs to support the middle class; and additional tax cuts for those with adjusted gross incomes above $1 million annually.